

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

INVESTMENT COMMITTEE

August 18, 2008

9:30 a.m.

Robert F. Carlson Auditorium
Lincoln Plaza North
400 Q Street
Sacramento, CA

COMMITTEE MEMBERS

George Diehr, Chair
Priya Mathur, Vice Chair
Marjorie Berte
John Chiang
Rob Feckner
David Gilb
Henry Jones
Bill Lockyer
Louis F. Moret
Tony Oliveira
Anne Sheehan
Kurato Shimada
Charles Valdes

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| CLOSED SESSION | 9:00 a.m. Interim Chief Investment Officer's Briefing on Market and Personnel Issues (Government Code sections 11126(a)(1) and (c)(16)) |
| OPEN SESSION | 9:30 a.m. |
| CLOSED SESSION | Upon Adjournment or Recess of Open Session (Government Code sections 11126(c)(16) and 11126(g)(1)) |

AGENDA

OPEN SESSION

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| | 1. Call to Order and Roll Call |
| Action | 2. Approval of the June 16, 2008 Open Session Minutes |
| Action / Policy Subcommittee Chair Jones | 3. Policy Subcommittee Report <ul style="list-style-type: none">a. Asset Allocation – Adoption of Policy on Supplemental Income Plans CalPERS Risk-Based and Target Retirement Date Fundsb. Global Equity – Revision of Global Principles of Accountable Corporate Governancec. Real Estate – Revision of Policy on Equity Real Estated. Inflation-Linked Asset Class Policy – Adoption of Infrastructure Program Component |
| Information / Farouki Majeed Information / Eric Baggesen and Curtis Ishii Information / Anne Stausboll | 4. Total Fund <ul style="list-style-type: none">a. Risk Management Reportingb. Enhanced Equity Portfolio – Internally Managedc. Implementation of Sudan and Iran Divestment Legislation |
| Information / Ted Eliopoulos | 5. Real Estate <ul style="list-style-type: none">a. Investment and Diversification in Emerging Market Real Estate |
| Information / Leon Shahinian | 6. Alternative Investments Management (AIM) <ul style="list-style-type: none">a. AIM Allocation |
| Information / Farouki Majeed | 7. Inflation-Linked Asset Class (ILAC) <ul style="list-style-type: none">a. Implementation Update |
| Information / Curtis Ishii Information / Wilshire Associates | 8. Global Fixed Income <ul style="list-style-type: none">a. Member Home Loan Program Updateb. Consultant Review of Internal Fixed Income Programc. Consultant Review of Internal Securities Lending Collateral Pool Programd. Securities Lending and Proxy Voting |
| Information / Dan Kiefer and Eric Baggesen | |
| Information / Eric Baggesen | 9. Global Equity <ul style="list-style-type: none">a. Environmental Manager Annual Review |

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| Information / Eric Baggesen | 10. Global Equity – Corporate Governance |
| Information / Wilshire Associates | a. Corporate Governance Investment Program Performance Review |
| Information | b. Wilshire Study on CalPERS Corporate Governance Program |
| | c. Corporate Governance Update |
| Information / Geraldine Jimenez | 11. Supplemental Income Plans (SIP) |
| Action / Geraldine Jimenez | a. Peace Officer Fire Fighter (POFF) Supplemental Plan Update |
| | b. Third Party Administrator Contract Amendment |
| Information / Anne Stausboll | 12. Chief Investment Officer's/Chief Operating Investment Officer's Report |
| Information / Anne Stausboll | a. Consolidated Investment Activity Report |
| | b. Chief Operating Investment Officer's Status Report |
| Action / Anne Stausboll | 13. Proposed 2009 Investment Committee Meeting Dates |
| Information | 14. Draft Agenda for September 15, 2008 |
| | 15. Public Comment |

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Subcommittee meeting held immediately prior to this meeting may be reported on or presented to the Investment Committee for its consideration.

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INVESTMENT COMMITTEE

August 18, 2008

AGENDA

CLOSED SESSION

Upon Adjournment or Recess of Open Session

(Government Code section 11126(c)(16))

(Government Code section 11126(g)(1) [Item 12 only])

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| | 1. Call to Order and Roll Call |
| Action | 2. Approval of the June 16, 2008 Closed Session Minutes |
| Information / Ted Eliopoulos | 3. Real Estate |
| Information / Ted Eliopoulos | a. Portfolio Sector Update |
| Information / Ted Eliopoulos | b. Strategic Plan Implementation Update |
| | c. R Street Update |
| Information | 4. Alternative Investments Management (AIM) |
| Action / Farouki Majeed | 5. Inflation-Linked Asset Class (ILAC) |
| | a. Forestland Transaction |
| Information / Curtis Ishii | 6. Global Fixed Income |
| Information / Curtis Ishii | a. External Manager Update |
| | b. High Yield Manager Update |
| Information | 7. Global Equity |
| | a. External Manager Update |
| Information | 8. Global Equity – Corporate Governance |
| Action / Geraldine Jimenez | 9. Supplemental Income Plans (SIP) |
| | a. External Manager Update and Selection |
| Information / Anne Stausboll | 10. Chief Investment Officer's/Chief Operating Investment Officer's Report |
| | a. Status of Action Items Not Yet Reported |
| Information / Anne Stausboll | 11. Activity Reports |
| | a. Alternative Investments Management |
| | b. Real Estate |
| | c. Risk Managed Absolute Return Strategies |
| | d. Public Markets |
| | e. Corporate Governance |
| | f. Inflation-Linked Assets |
| Information / Anne Stausboll and Chris O'Brien | 12. Chief Investment Officer Recruitment |